

# Financial Regulations

- 1 Introduction
- 2 Status of Financial Regulations
- 3 Responsibilities
- 4 Financial Management
  - 4.1 Budget Strategy
  - 4.2 Medium Term Financial Strategy
  - 4.3 Annual Budget Setting
  - 4.4 Budget Management and Monitoring
  - 4.5 Closing of Accounts and Statement of Accounts
  - 4.6 Treasury Management Framework
  - 4.7 Pension Fund Management
- 5 Financial Administration
  - 5.1 Accounting
  - 5.2 Internal Audit
  - 5.3 Corporate Anti-Fraud Team (CAFT)
  - 5.4 Risk Management
  - 5.5 Banking Arrangements
  - 5.6 Assets
  - 5.7 Imprest Accounts
  - 5.8 Income
  - 5.9 Insurance
  - 5.10 Investments, Borrowing, Capital Financing and Trust Accounts
  - 5.11 Ordering of Supplies, Works and Services
  - 5.12 Salaries, Pensions and Allowances
  - 5.13 Amenity and Unofficial Funds

The Financial Regulations should be read in conjunction with the Budget and Policy Framework [and Procedure Rules](#).

## 1 Introduction

- 1.1 The Financial Regulations govern the way the Council undertakes financial forward planning, annual budget setting, budget monitoring and closing of the accounts. These aspects are set out in section 4: Financial Management.
- 1.2 The Financial Regulations also govern the way day to day financial administration is conducted and financial controls are exercised. These aspects are set out in section 5: Financial Administration.

## 2 Status of Financial Regulations

- 2.1 Financial regulations apply to every member and officer of the authority and anyone acting on its behalf. All members and officers have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.
- 2.2 The responsibilities of the Chief Finance Officer are discharged by the Chief Operating Officer ~~Deputy Chief Executive~~. Thus this post is responsible for the proper administration of the Council's financial affairs for the purposes of Section 151 of the Local Government Act 1972 (and all subsequent amendments). This includes responsibility for producing and updating these Financial Regulations.
- 2.3 The Scheme for Financing Schools governs School Governors, Headteachers and school staff of Maintained schools with delegated budgets. In these cases the Financial Regulations do not apply.
- 2.4 Where applicable consultants or agencies acting for the Council will be bound by these procedures and it should be a condition of their employment or engagement that they do so.
- 2.5 This should be used in conjunction with other points of the constitution, legal requirements and other codes of practice.
- 2.6 Chief Officers are responsible for ensuring that all staff in their departments are made aware of the existence and content of the authority's Financial Regulations and other internal regulatory documents, and that they comply with them. They must also ensure that either hard or electronic copies are available for reference within their departments.
- 2.7 Substantial breaches of Financial Regulations shall be reported to the Chief Finance Officer (section 151 officer) by the relevant Chief Officer and may be treated as disciplinary offences. Where the Chief Finance Officer (section 151 officer) considers it appropriate he/she will report to the next meeting of the Audit Committee any substantial breach of these Regulations that is identified.

- 2.8 These Financial Regulations shall not override any statutory provisions that apply.
- 2.9 The Chief Finance Officer (section 151 officer) shall be responsible for ensuring that the Council's continuing compliance with the Accounts and Audit Regulations 2011 and all relevant Accounting Codes of Practice and Auditing Standards.
- 2.10 These procedures shall be reviewed regularly by the Chief Finance Officer (section 151 officer) but at least every ~~3~~-three years. The Constitution, Ethics and Probity Committee approve all amendments and summaries of changes resulting from the review. Relevant financial thresholds (e.g. write-offs, petty cash payments) should additionally be reviewed against inflation on an annual basis wherever possible.
- 2.11 The Chief Finance Officer (section 151 officer) is responsible for issuing advice and guidance to underpin the Financial Regulations that members, officers and others acting on behalf of the authority are required to follow.
- 2.12 Each Chief Officer is required to maintain a scheme of financial delegation in accordance with the minimum standards as determined by the Chief Finance Officer (section 151 Officer) or Nominated Deputy, and which accords to the financial limits included within the overall scheme of delegation and contract rules.

### **3 Responsibilities**

- 3.1 Section 151 of the Local Government Act 1972 states that each local authority "shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs".
- 3.2 The "arrangements" include the Council's Financial Regulations, Contract Procedure Rules and the Scheme of Delegation (so far as it relates to financial matters). In approving those arrangements, Members are bound by the general principles of administrative law. The Council has an appointed Chief Finance Officer (section 151 officer). In performing his/her functions as the appointed officer, he/she shall seek to ensure that the management of the Council's financial affairs accord with the arrangements approved by Council subject to his overarching statutory duties. The Chief Finance Officer (section 151 officer) owes a fiduciary duty to the public to carry out those duties effectively and these cannot be overridden by the Council.
- 3.3 The responsibilities of the Council, ~~the Executive~~ and Committees are set out in Part 3 of the constitution: Responsibility for Functions.

## 4 FINANCIAL MANAGEMENT

### 4.1 BUDGET STRATEGY

4.1.1 The Budget Strategy, approved by ~~Cabinet~~Full Council, sets out the ~~Council's Executive's~~ approach on a range of issues, including:

- the way in which corporate service priorities are considered as part of the Council's capital and revenue budget processes;
- the level of balances and reserves (having taken account of advice from the Chief Finance Officer (section 151 officer));
- the management of financial risks

The setting of fees and charges and the Council's policies for the recovery of debt, ~~which do not form part of the budget strategy,~~ are separately approved by ~~the Full Council~~Policy and Resources Committee ~~Cabinet and do not form part of the Budget Strategy.~~

4.1.2 The Budget Strategy and Medium Term Financial Strategy will normally be ~~recommended by the Policy and Resources Committee to approved by Full Council for approval~~recommended by the Policy and Resources Committee to approved by Full Council for approval ~~Cabinet~~ at the start of each financial year.

### 4.2 MEDIUM TERM FINANCIAL STRATEGY

4.2.1 The Chief Finance Officer (section 151 officer), in consultation with the ~~Chairman of the Policy and Resources Committee~~ Chairman of the Policy and Resources Committee ~~Cabinet Member with responsibility for Resources,~~ will maintain a Medium Term Financial Strategy that covers a period of at least three financial years, including the current financial year.

4.2.2 The Medium Term Financial Strategy will be produced and reported in conjunction with the annual budget, council tax and rent proposals to ~~Cabinet~~ the Policy and Resources Committee and Council before 11 March of the preceding financial year. Further updates on the Medium Term Financial Strategy may be reported during the year.

4.2.3 The Financial Forward Plan will cover revenue and capital budgets, and will highlight how resources are being re-directed to address Corporate Plan priorities.

4.2.4 In respect to resources, the Medium Term Financial Strategy will take account of the following:

- forecasts of formula and specific grants;
- increases in fees and charges, and the introduction of new charges;
- interest earnings;
- levels of reserves and balances;
- increased income from rents and council tax;
- capital receipts and grants.

4.2.5 In respect to expenditure, the Medium Term Financial Strategy will take account of the following:

- full year effects of previous decisions;
- changes in responsibility arising from new or amended legislation or regulations, net of increased income from new fees and charges;
- re-direction of resources to achieving Corporate Plan priorities and targets and away from non priority areas;
- forecast changes in service demand;
- forecasts of inflation, pay awards and interest rates;
- efficiency savings;
- planned service reductions;
- prudential borrowing;
- financial risks.

4.2.6 In that the Medium Term Financial Strategy has a three year horizon it is to be expected that figures in later years will often be preliminary estimates and/or aspirations of future decisions and changes in council policy.

### 4.3 ANNUAL BUDGET SETTING

4.3.1 The ~~Executive Council~~ will publish a draft budget for consultation. Arrangements for budget consultation will be determined by the ~~Executive Council~~.

4.3.2 The Chief Finance Officer (section 151 officer) will set the council tax base for tax-setting purposes before 31 January of the preceding financial year, and notify precepting and levying bodies of this figure by this date. The Chief Finance Officer (section 151 officer) will, at the same time, notify all Council Members.

4.3.3 ~~The Executive~~ The Policy and Resources Committee will finalise its recommendations to Council on the revenue budget, council tax, capital programme and rent levels taking account of the results of budget consultation. This will normally be in February, following announcement of the Final Local Government Finance Settlement.

4.3.4 ~~The Executive's Policy and Resources'~~ recommendations to Council must be made in time for Council to set the capital and revenue budget and council tax before 11 March of the preceding financial year.

4.3.5 The budget and capital programme that ~~the Executive Policy and Resources~~ recommends to Council must be based on reasonable estimates of expenditure and income, and take account of:

- outturn forecasts for the current year;
- guidance from the Chief Finance Officer (section 151 officer) on the appropriate level of reserves, balances and contingencies;
- financial risks associated with proposed budget developments, reductions and ongoing projects;
- forecasts of capital receipts;

- affordability of prudential borrowing over the period of the council's financial forward plan;
  - recommendations from the external auditor on matters such as the level of reserves and provisions.
- 4.3.6 The Chief Finance Officer (section 151 officer) shall advise the ~~Cabinet~~Council whether s/he is able to certify that the draft Budget contains robust estimates and reserves for the purpose of Section 25 of the Local Government Act 2003.
- 4.3.7 Fees and Charges  
The budget recommended by ~~the Executive~~Policy and Resources will incorporate the latest projection of income from fees and charges.
- 4.3.8 ~~Cabinet Resources Committee~~Policy and Resources must approve changes to fees and charges that are significantly different from inflation, the introduction of new fees and charges, and changes to fees and charges outside the normal annual cycle.
- 4.3.9 Chief Officers may approve changes to fees and charges annually where the change is broadly in line with inflation. The date for annual increases need not be 1 April.
- 4.3.10 Alternative Budget Motions  
Any member proposing to put forward to Council any amendment to the draft Budget or any alternative Budget should provide a copy thereof to the Chief Finance Officer (section 151 officer) at least 5 clear days before the Council meeting, so that he/she may advise Council whether the resulting amended or alternative Budget would provide robust estimates and reserves for the purpose of Section 25 of the Local Government Act 2003.
- 4.3.11 The alternative budget motion must set out the appropriate changes to ~~Cabinet's~~the Policy and Resources Committee's recommendations as they affect the budget for the forthcoming year and any element of the Financial Forward Plan (e.g. balances, full year effects, council tax levels). The Chief Finance Officer (section 151 officer) may also require further information to be included if he/she considers it will improve the Council's understanding of the financial implications in the forthcoming or future years.
- 4.3.12 Any Member proposing to put an alternative budget motion to Council is responsible for ensuring it is received by the Head of Governance by the date set by the Head of Governance. It is also their responsibility to ensure they give the Chief Finance Officer (section 151 officer) sufficient time to fully validate their alternative budget proposals.
- 4.3.13 The Chief Finance Officer (section 151 officer) is responsible for validating any alternative budget motions put forward by Members. The Chief Finance Officer (section 151 officer) may require further information to be included in the proposal if he/she considers it will improve the Council's understanding of the financial implications in the forthcoming or future years.

## 4.4 BUDGET MANAGEMENT & MONITORING

### 4.4.1 Latest Approved Budget

The latest approved budget for a service or capital project is the budget determined by Council prior to the start of the year, as amended subsequently by approved variations in budget and capital financing throughout the year.

4.4.2 The Chief Finance Officer (section 151 officer) is responsible for maintaining the latest approved revenue and capital budget in accordance with the scheme of revenue and capital virement as set out below.

### 4.4.3 Making changes to the budget

Amendments to the revenue budget can only be made with approval as per the scheme of virement table below:

<b>Approval by Performance &amp; Contract Management is required in the following cases:</b>
<del>The virement affects any of the following budget types: - Financing charges - Rates and other taxes - Recharges - Insurance</del>
<del>The virement is for allocation from contingency budgets for amounts up to over £250,000 must be approved by (as determined by the Section 151 Officer in consultation with appropriate Chief Officer)</del>
<u>Virements for allocation from contingency for amounts over £250,000 must be approved by Performance and Contract Management</u>
<del>The virement would cause the total budget head to be exceeded in the current year or increase the commitment in future years</del>
<del>The virements are to be financed from savings arising from competitive tendering</del>
<b>Approval by relevant themed committee</b>
<del>The virement will transfer funds for the creation of new posts</del>
<b>If none of the above conditions apply, then the following approval levels apply:</b>
Virements within a service that do not alter the <u>bottom line staffing by more than 10%</u> are approved by Service Director
Virements <u>between services (excluding contingency allocations)</u> up to a value of £50,000 must be approved by the relevant Chief Officer
Virements <u>between services (excluding contingency allocations)</u> over £50,000 and up to £250,000 must be approved by Chief Officer and Chief Finance Officer
<del>Virements over £250,000 and up to £2,500,000 must be approved by Performance and Contract Management</del>
<u>Virements between services (excluding contingency allocations) over £250,000 must be approved by Policy and Resources</u>

### **Capital Virements**

Performance and Contract Management approval is required for all capital budget and funding virements and yearly profile changes (slippage or accelerated spend) between approved capital programmes i.e. as per the budget book. The report must show the proposed:

- i) Budget transfers between projects and by year;

ii) Funding transfers between projects and by year; and iii) A summary based on a template approved by the Section 151 Officer
Funding substitutions at year end in order to maximise funding are the responsibility of the Section 151 Officer.

#### 4.4.4 Budget Monitoring

4.4.5 Chief Officers are required to notify the Chief Finance Officer of all underspends, over-recovery of income or windfall benefits arising within their revenue and capital budgets. Where these occur they should in the first instance be returned to central contingencies unless regulations specify restrictions on their use which make this inappropriate or the underspend, additional income or ~~windfall~~ is other financial benefits are to be used to offset uncontrollable overspends elsewhere within the service. Where these exceptions occur, the chief officer is responsible for notifying the Chief Finance Officer that this is to occur.

#### 4.4.6 Budget Monitoring – Revenue

4.4.6.1 Chief Officers should ensure that their revenue cost centre managers do not enter into commitments before satisfying themselves there is sufficient approved budget provision. Chief Officers have no authority to overspend revenue budgets, or under-recover income budgets under their control, and are responsible for monitoring their budgets to ensure this situation does not arise.

4.4.6.2 It is the responsibility of Chief Officers to must notify the Chief Finance Officer (section 151 officer) of forecast revenue budget or capital project overspends regardless of whether offsetting savings or additional income have been identified.

4.4.6.3 Having notified the Chief Finance Officer (section 151 officer) of a forecast revenue budget overspend, the Chief Officer must submit proposals to the Chief Finance Officer (section 151 officer) for offsetting the forecast overspend, together with an assessment of the impact these corrective actions will have on service delivery and performance targets. Approval to these budget variations will be in line with the scheme of virement.

4.4.6.4 When notifying the Chief Finance Officer (~~s~~Section 151 ~~e~~Officer) of such a situation, Chief Officers must advise if the problem relates solely to the current financial year or needs to be addressed within the financial forward plan as well.

4.4.6.5 Chief Officers are required to notify the Chief Finance Officer (section 151 officer) of all revenue underspends, over-recovery of income or ~~windfall~~ other financial benefits arising within their revenue budgets. Where these occur they should in the first instance be returned to central contingencies unless regulations specify restrictions on their use which make this inappropriate or the underspend, additional income or windfall is to be used to offset uncontrollable



overspends elsewhere within the service. Where these exceptions occur, the Chief Officer is responsible for notifying the Chief Finance Officer (section 151 officer) that this is to occur.

#### 4.4.7 Budget Monitoring – Capital

4.4.7.1 Forecast overspends on approved capital projects must be communicated to the Chief Finance Officer immediately. Having notified the Chief Finance Officer (section 151 officer), the Director or Head of Service must submit options to the Chief Finance Officer (section 151 officer) for offsetting the forecast overspend (e.g. by reducing the project specification, or budget for other projects) and/or identifying additional funding.

4.4.7.2 Due to the uncertainty around the generation and timing of capital receipts, and the impact that delays could have on the level of prudential borrowing, capital project managers must obtain the prior approval of the Chief Finance Officer (section 151 officer) before entering into any individual capital commitment on an approved capital project over £1m.

#### 4.4.8 Central Contingency

The Chief Finance Officer (section 151 officer) will determine which budget developments are to be held within the central contingency.

4.4.9 Allocations from the central contingency relating to planned developments will be approved by the Chief Finance Officer (section 151 officer), in consultation with the Chairman of the Performance and Contract Management Committee ~~Cabinet Member for Resources~~, following the receipt from a Chief Officer of a fully costed proposal to incur expenditure that is in line with planned development (including full year effect). Where there is a significant increase in the full year effect, the contingency allocation must be approved by the Performance and Contract Management Committee ~~Cabinet Resources Committee~~.

4.4.10 Allocations from the central contingency for unplanned expenditure, including proposals to utilise underspends previously generated within the service and returned to central contingency, will be approved by the Chief Finance Officer in consultation with the Chairman of Performance and Contract Management ~~Cabinet Member with responsibility for Resources~~. Where there are competing bids for use of underspends, additional income or windfalls previously returned to central contingency, priority will be given to the service(s) that generated that return.

4.4.11 Allocations for unplanned expenditure over £250,000 must be approved by Performance and Contract Management Committee. ~~Cabinet Resources Committee~~.

#### 4.4.12 Budget Monitoring – reporting

4.4.13 The Chief Finance Officer (section 151 officer) will report in detail to Performance and Contract Management ~~Cabinet Resources Committee~~ at least

four times a year, at the end of each quarter, on the revenue and capital budgets and wider financial standing.

4.4.14 Reports on the revenue budget will normally include:

- a revised forecast outturn including details as part of which, Chief Officers will inform ~~Cabinet Resources Committee~~ Performance and Contract Management:
  - i) of those cost centres for which they are responsible that are projecting net overspends or underspends either over £100,000 or over £50,000 where the cost centre's gross budget is less than £1m; and
  - ii) of the actions proposed to ensure that these overspends or underspends are not realised.
- advice from the Chief Finance Officer (section 151 officer) on whether action is required to address any diminution in reserves and, if necessary, proposals and/or options for action that needs to be taken.

4.4.15 These reports will make recommendations for varying the approved budget (revenue and capital) in the following circumstances:

- allocations from the central contingency for unplanned expenditure over £250,000, or for planned expenditure where there are significant full year effects;
- underspends and windfall benefits returned to the centre;
- increases in service revenue budgets where overspends are considered unavoidable and cannot be contained within the overall budget managed by a Chief Officer;
- variations in capital project budgets;
- additions to the capital programme outside of the main budget cycle.

4.4.16 Authorisation of Non-Budgeted Expenditure

In cases of urgency or emergency, the Chief Finance Officer (section 151 officer) may approve revenue or capital expenditure in excess of the latest approved budget.

4.4.17 The Chief Finance Officer (section 151 officer) may approve revenue or capital expenditure not provided for within the latest approved budget if satisfied that:

- the expenditure is wholly reimbursable to the Council; or
- compensatory savings have been identified; and
- there are no significant full year effects.

In all circumstances, the expenditure must be consistent with the Corporate Plan and management agreements ~~key priority plans~~ and should be reported to the next Performance and Contract Management~~Cabinet~~ meeting.

4.4.18 Chief Officers, in consultation with the Chief Finance Officer (section 151 officer), are encouraged to explore all feasible options that maximise external funding

available to the Council. External funding covers bids to Government and other organisations that are offering funding for projects that meet certain criteria. It also covers contributions being sought from participating organisations and individuals, from either public or private sources. This may include lobbying Government with new funding proposals.

4.4.19 Chief Officers must provide the Chief Finance Officer (section 151 officer) with details of all bids for external funding. Bids will follow the requirements of the Council's investment appraisal process. In particular, the following information must be provided:-

- how the bid supports achievement of Corporate Plan targets;
- whether the bid is for capital and/or revenue funding;
- revenue and capital matched funding contributions required from the Council, and how these will be identified;
- revenue and capital matched funding contributions required from other organisations and individuals, how these amounts will be secured, and the risks associated with them;
- an 'exit strategy', which sets out how budgets will be adjusted after the grant expires;
- where the bid is for revenue funding:-
  - whether this is to support existing levels of activity or enhanced / new activities;
  - proposals for reducing the activity OR incorporating it in the base budget once the external funding is exhausted;
- where the bid is for capital funding :-
  - whether an asset will be created, and if so, how this fits in with the Council's Asset Management Strategy;
  - how the ongoing cost of maintaining the asset will be funded;
  - whether the asset can / will be disposed of at a later date.

4.4.20 Chief Officers must not commit expenditure on projects requiring matched funding contributions until the external funding has been confirmed, unless approval has been given by the Chief Finance Officer (section 151 officer). Decisions to proceed ahead of confirming external funding will be taken after assessing all relevant risks. The Chief Finance Officer (section 151 officer) has the right to refer the decision to the ~~Cabinet Resources Committee or Cabinet Member for Resources.~~ Policy and Resources.

4.4.21 Chief Officers must advise the Chief Finance Officer (section 151 officer) of all grant and subsidy notifications as soon as they are received. Where the amount notified is greater than the budget, the excess will be deemed a windfall and should in the first instance be returned to the central contingency unless regulations specify restrictions on their use which make this inappropriate or the underspend, additional income or windfall is to be used to offset uncontrollable overspends elsewhere within the service. Where the amount notified is less than the budget, the Director or Head of Service must notify the Chief Finance Officer (section 151 officer) of options for containing any potential overspend.

- 4.4.22 Where external funding is applied for, it is the responsibility of the Chief Officer to ensure that the monies are received from the paying body and, wherever possible, received ahead of the planned expenditure being incurred by the Council.
- 4.4.23 Chief Officers must ensure that all conditions associated with external funding are met and that information and evidence required to complete grant and subsidy claims are provided on time.
- 4.4.24 Chief Officers are responsible for ensuring that they comply with all requirements for the audit of external funding where applicable.
- 4.4.25 Full year Effects  
In preparing any estimates of expenditure and income, **Corporate** Directors and Heads of Service must give proper consideration to full year effects.
- 4.4.26 Annual Governance Statement  
Chief Officers must support the work on corporate risk management led by the Monitoring Officer, contributing to the production of the Annual Governance Statement that has to be published alongside the Statement of Accounts. Details of this are set out in the Code of Corporate Governance.
- 4.4.27 Partnership Working  
Before entering into a partnership with another organisation that involves pooling some of the Council's revenue and/or capital budgets, the Chief Officer must ensure that adequate financial controls are in place. A financial risk assessment must also be prepared and monitored over time.
- 4.4.28 General Requirements  
Chief Officers must consult the Chief Finance Officer (section 151 officer) at an early stage on any current or future matter or decision that has financial implications that are not incorporated in the Financial Forward Plan or could impact on the Medium Term Financial Strategy.

## **4.5 CLOSING OF ACCOUNTS & STATEMENT OF ACCOUNTS**

- 4.5.1 The Chief Finance Officer (section 151 officer) is responsible for making arrangements for closing the accounts and producing the annual Statement of Accounts, as well as all matters relating to their audit and public inspection.
- 4.5.2 Chief Officers are responsible for ensuring that they and their staff adhere to the timetable and requirements set out by the Chief Finance Officer (section 151 officer) for the closing of accounts, and provide any information and evidence required in relation to this.
- 4.5.3 The Statement of Accounts will be prepared in accordance with the CIPFA Code of Accounting Practice, which includes the deadline for their production and the requirement to include an Annual Governance Statement (AGS).

- 4.5.4 Chief Officers must provide on time any information and evidence the Chief Finance Officer requires to close the accounts and complete all grant and subsidy claims.
- 4.5.5 In closing the accounts, the Chief Finance Officer (section 151 officer) may amend the originally approved funding of revenue and capital services and projects if this is to the Council's financial benefit.
- 4.5.6 The Annual Audit Letter includes the external auditor's report and opinion on the audit of the accounts, as well as comments and recommendations on whether the Council provides Value for Money. This will be reported each year to the Audit Committee, together with an appropriate action plan.

#### **4.6 TREASURY MANAGEMENT FRAMEWORK**

4.6.1 The Council adopts the key recommendations contained in "The Prudential Code for Capital Finance in Local Authorities – fully revised second edition (CIPFA, 2009), "Treasury Management in the Public Services: Code of Practice and cross sectoral guidance notes (CIPFA, 2009) and any subsequent recommended good practice by CIPFA.

##### 4.6.2 Adherence to Prudential Code

The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services Code of Practice, as described in Section 4 of that code.

4.6.3 ~~Cabinet Resources Committee~~ Policy and Resources will create and maintain a Treasury Management Policy Statement, stating the policies and objectives of its treasury management activities.

4.6.4 The Chief Finance Officer (section 151 officer) will create and maintain suitable Treasury Management Practices, setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

4.6.5 ~~Cabinet Resources Committee~~ The Performance and Contract Management Committee will receive reports on its treasury management policies, practices and activities, including an annual strategy and plan in advance of the year, and an annual report after its close in the form prescribed in the Treasury Management Practices. These reports will incorporate the prudential borrowing limits and performance indicators.

4.6.6 The Chief Finance Officer (section 151 officer) has the delegated authority to undertake long term borrowing on behalf of the Authority and will issue a Delegated Powers Report immediately after this power is exercised to inform Members.

4.6.7 The Council delegates responsibility for the implementation and the monitoring of its treasury management policies and practices to ~~the Executive~~ Performance and Contract Management and the updating of the Treasury Management Practices, and for the execution and administration of treasury management

decisions to the Chief Finance Officer (section 151 officer), who will act in accordance with the organisation's policy statement and Treasury Management Practices and CIPFA's Standard of Professional Practices on Treasury Management.

## **4.7 PENSION FUND MANAGEMENT**

The Chief Finance Officer (section 151 officer) ~~through the Pensions Manager~~ is responsible for, or responsible for delegating authority for:

- approving early payment of deferred benefits under regulation 30 of the Benefits Regulations or similar provisions in previous Regulations
- exercising discretion on compassionate grounds not to actuarially reduce deferred benefits paid early under regulation 30 of the Benefits Regulations or similar provisions in previous Regulations;
- exercising the power to accept late applications (made more than 30 days after return to work or, if does not return to work, 30 days after the date of leaving) from a member who wishes to pay optional contributions for a period of absence (Regulation 22 of the Administration Regulations);
- informing a member, who is entitled to a pension or retirement grant under two or more provisions, which provision shall apply (Regulation 34 of the 1997 Regulations);
- determining that late applications to convert scheme AVCs into a membership credit will be accepted provided such a late claim is not made within one year of attaining NRD or six months after leaving service whichever is the later (Regulation 26 of the Administration Regulations).
- determining (for Barnet Council Employees only) whether to accept any request for the inwards transfer of pension rights made more than 12 months after the member joined the Scheme (Regulation 83 of the Administration Regulations).
- determining (for Barnet Council employees only) whether to accept any request
- for joining previous Scheme membership (either with this Employer and/or with another scheme employer) made more than 12 months after the member rejoined the Scheme (Regulation 16 of the Administration Regulations).
- exercising absolute discretion in determining the recipient(s) of any death grant payable from the Scheme (Regulations 23, 32 and 35 of the Benefits Regulations);
- deciding whether to treat education or training as continuous despite a break for the purpose of determining eligibility for a child's pension (Regulation 26 of the Benefits Regulations);
- communicating with other employers that are scheduled or admitted bodies as appropriate

## **5 FINANCIAL ADMINISTRATION**

### **5.1 ACCOUNTING**

- 5.1.1 All accounting arrangements across the council shall be in a manner approved by the Section 151 Officer, taking into account best practice guidance issued by relevant external bodies, such as CIPFA and [national guidance](#).
- 5.1.2 There must be adequate separation of duties to ensure that no one officer is able to handle any financial transaction from start to finish without there being some mechanism for independent checking. By finish is meant the completion of the accounting for the transaction.
- 5.1.3 All accounting should occur on the Council's Accounting System and any exceptions must be specifically authorised by the Chief Finance Officer (section 151 officer).

## **5.2 INTERNAL AUDIT**

- 5.2.1 Under the Accounts and Audit Regulations 2011 the Council has a statutory obligation to have an adequate and effective system of internal audit. The Chief Internal Auditor has the delegated authority for providing and maintaining this service.
- 5.2.2 The Chief Internal Auditor is responsible for providing an internal audit function which meets the requirements of the Public Sector Internal Audit Standards (PSIAS). He / she is also responsible for providing an opinion, in support of the Annual Governance Statement, on how the Council's risk management processes identify, evaluate, monitor and report that controls are operating effectively within the Council. The Chief Internal Auditor helps the Chief Finance Officer discharge his/her responsibilities under section 151. Irrespective of the organisational position of internal audit, this officer should have the right to report on matters concerning internal audit and internal control directly to the Chief Executive and the Audit Committee.
- 5.2.3 Internal Audit is an assurance function that provides 'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.' PSIAS
- 5.2.4 Management are responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal Audit plays a vital part in advising the organisation that these arrangements are in place and operating properly. The annual internal audit opinion, which informs the Annual Governance Statement, both emphasises and reflects the importance of this aspect of internal audit work. Management's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.
- 5.2.5 Internal Audit has unrestricted access to all information (including records, computer files, property and personnel) and activities undertaken by the Council, in order to review, appraise and report on:

- the adequacy and effectiveness of the systems of financial, operational and management control and their operation in practice in relation to the business risks to be addressed;
- the extent of compliance with, relevance of, and financial effect of, policies, standards, plans and procedures established by the Council and service management and the extent of compliance with legislation and regulations, including reporting requirements of regulatory bodies;
- the extent to which the assets and interests are acquired economically, used efficiently, accounted for and safeguarded from losses of all kinds arising from waste, extravagance, inefficient administration, poor value for money, fraud or other cause and that adequate business continuity and risk management strategies exist;
- the suitability, accuracy, reliability and integrity of financial and other management information and the means used to identify, measure, classify and report such information;
- the integrity of processes and systems, including those under development, to ensure that controls offer adequate protection against error, fraud and loss of all kinds; and that the process aligns with the Council's strategic goals;
- the suitability of the organisation of the units audited for carrying out their functions, to ensure that services are provided in a way which is economical, efficient and effective;
- the follow-up action taken to remedy weaknesses identified by Internal Audit review, ensuring that good practice is identified and communicated widely; and
- the operation of the Council's Governance arrangements.

#### 5.2.6 Independence

Internal Audit should be independent of the activities that it audits to enable auditors to perform their duties in a way that allows them to make impartial and effective professional judgements and recommendations. Internal auditors should not have any operational responsibilities.

5.2.7 Audit advice and recommendations, including where Internal Audit has been consulted about significant changes to the internal control systems, are given without prejudice to the right of Internal Audit to review and make further recommendations on the relevant policies, procedures, controls and operations at a later date.

5.2.8 The status of Internal Audit should enable it to function effectively. The support of the organisation is essential and recognition of the independence of Internal Audit is fundamental to its effectiveness. The Chief Internal Auditor should have direct access to, and freedom to report in his or her own name and without fear or favour to, all officers and members and particularly to those charged with governance.

5.2.9 The Chief Internal Auditor shall be able to meet the Chairman of the Audit Committee alone outside of the normal Audit Committee meetings.



5.2.10 Responsibility & Authority

Internal Audit is an integral part of the organisation and functions under the policies established by management and the Council.

5.2.11 The purpose, scope, authority and responsibility of the internal auditing service is defined in a formal charter. The charter makes clear the independence of the internal auditing service and emphasises that it must not be restricted when carrying out its responsibilities.

5.2.12 Chief Officers shall have regard to the principles of risk management, and to the Council's risk management policy. It is the responsibility of Internal Audit to review the adequacy and effectiveness of the council's arrangements for risk management.

5.2.13 The Chief Internal Auditor shall report to the Chairman of the Audit Committee all significant concerns that he/she may have over the adequacy and effectiveness of internal controls and risk management activities within the organisation.

5.2.14 Ethical Governance

The Chief Internal Auditor shall raise the profile and awareness of governance activities throughout the Council and set standards for modern, proactive and cost-effective governance in the Council.

**5.3 CORPORATE ANTI-FRAUD TEAM (CAFT)**

5.3.1 Under Section 151 of the Local Government Act 1972 the Council has a statutory obligation to ensure the protection of public funds and to have an effective system of prevention and detection of fraud and corruption. The ~~Operational~~ Assurance Assistant Director has the delegated authority for providing and maintaining this service.

5.3.2 As part of these Regulations, Directors should ensure that there are arrangements to enable staff and the public to raise and report any issues of concern in accordance with the Council's Whistleblowing policy.

5.3.3 Objective & Scope

The CAFT is an independent, objective activity designed to add value and improve the Council's operations. It helps the Council achieve its objectives by bringing a systematic, disciplined approach to investigation, evaluating and improving the effectiveness of fraud prevention and detection and the subsequent prosecution of individuals and organisations where appropriate. The Council has a zero tolerance approach to fraud and other irregularity.

5.3.4 The objective of the CAFT is to assist officers and Members in the effective discharge of their responsibilities. To this end, the CAFT furnishes them with assurance, analysis, appraisals, recommendations, counsel, and information concerning the activities it is required to become involved with. The objective includes promoting fraud awareness across the authority.

5.3.5 The scope of the CAFT encompasses both the investigation and examination of the effectiveness of the council's systems of fraud control when subject to breach. In carrying out assigned responsibilities, Investigation Officers:-

- review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information;
- ensure there are appropriate systems for accurate reporting of any such fraud (including "Whistleblowing" and a "Fraud Hotline")
- create and promote policies, plans, procedures, law, regulations and guidance which have a significant impact on the organisation;
- provide an effective, efficient and value for money investigation service;
- provide the organisation, its employees and business partners with a comprehensive guide in relevant areas such as fraud, corruption, bribery and anti money laundering and other legislation relating to the proceeds of crime.

5.3.6 Independence

CAFT officers are independent when they carry out their work so act freely and objectively. Independence permits Investigators to render the impartial and unbiased judgements essential to the proper investigation and conclusion of fraud.

5.3.7 Responsibility & Authority

The primary responsibility for the awareness, prevention, detection and deterrence of fraud, corruption, bribery or money laundering activity lies with the Chief Officers. This responsibility includes ensuring that staff and partners are aware of both the implications of fraud and money laundering and the risks of fraud and money laundering across their service area. The primary responsibility for the investigation of any suspected fraud, corruption, bribery or money laundering activity found in a service area lies with the CAFT. All details must be immediately forwarded to the CAFT, to preserve the chain of evidence linked to such investigations within the law.

5.3.8 All Council Members and employees are personally responsible for ensuring they (and any subordinates) are aware of the Council's Counter Fraud Framework and the procedures and policies within it. All suspected breaches must be reported to the ~~Assistant Director of Operational Assurance~~ Assistant Director, the Chief Internal Auditor or any member of the CAFT.

5.3.9 The ~~Assistant Director of Operational Assurance~~ Assistant Director will nominate an officer to undertake the duties of the Council's Money Laundering Reporting Officer as detailed within the Council's Anti Money Laundering Policy Statement and procedure.

5.3.10 The ~~Assistant Director of Operational Assurance~~ Assistant Director is the designated Whistleblowing officer for the London Borough of Barnet and shall undertake the responsibilities of the role as described within the Council's Whistleblowing Policy.

5.3.11 The CAFT Counter Fraud Manager – Benefit Fraud is the officer designated by the Secretary of State under the provisions of the Social Security & Administration Act 2001 to act as the Authorised Officer in the obtaining of data prescribed within the Act which may otherwise be protected, in connection with the prevention and/or detection of a crime.

5.3.12 The ~~Assistant Director of Operational~~ Assurance Assistant Director is designated as the London Borough of Barnet's 'Senior Appropriate Officer' for the authorisation of production orders, restraint orders, customer information orders and account monitoring orders as described within the Proceeds of Crime Act 2000.

5.3.13 The ~~Assistant Director of Operational~~ Assurance Assistant Director and/or the CAFT Counter Fraud Managers are the London Borough of Barnet's responsible officers for the authorisation of arrest and prosecution of offenders including deciding on any appropriate sanction action available within the law. Those officers are responsible for ensuring that all CAFT investigations are conducted in accordance with the Criminal Procedures & Investigations Act 1996 (CPIA) the Police & Criminal Evidence Act 1984 (PACE) and the Human Rights Act 2000.

5.3.14 The Council's Senior Responsible Officer in relation to the Regulation of Investigatory Powers Act 2000 (RIPA) has been designated as the Monitoring Officer. The Assistant Director of ~~Operational~~ Assurance and the CAFT Counter-Fraud Managers are the designated officers for the authorisation of directed surveillance and use of Covert Human Intelligence Source (CHIS) as defined within the Regulation of Investigatory Powers Act 2000 (RIPA). All investigating officers granted authorisation to carry out directed surveillance or use of a covert human intelligence source by a designated officer of the Council are authorised to appear before the Magistrates Court on behalf of the Council to apply for judicial approval in accordance with the requirements of sections 37 and 38 of the Protection of Freedoms Act 2012.

5.3.15 The Chief Finance Officer (section 151 officer), or other authorised representative such as the Monitoring Officer. ~~The the Assistant Director of Operational~~ Assurance Assistant Director, ~~The the~~ Chief Internal Auditor and all CAFT Investigation Officers shall have authority to:

- Enter or visit any land, premises, offices or establishments of the Council; and carry out any necessary searches of the aforementioned.
- have unrestricted access to, search, and remove any and all records, documents and correspondence, including electronically held correspondence, documents and records, and property and assets of the Council;
- receive such explanations as are necessary concerning any matter under examination, and / or fraud investigation;
- in conjunction with the relevant Chief Officer, suspend any employee of the Council under CAFT investigation from duty: acting in accordance with the Council's disciplinary procedures; and, in cases concerning illegal working, employees may be exited from the organisation and/or may be suspended without pay pending investigation.

- require any employee of the Council to produce and surrender any cash, stores, equipment or any other Council property under his or her control
- interview any and all employees and individuals in connection with investigations including interviews in accordance with the Police & Criminal Evidence Act (on tape).

## **5.4 RISK MANAGEMENT**

5.4.1 Chief Officers are responsible for ensuring that they and their staff uphold the requirements of the Corporate Risk Management Policy Statement and Framework.

## **5.5 BANKING ARRANGEMENTS**

5.5.1 The Chief Finance Officer (section 151 officer) must approve all banking and card acquiring arrangements across the Council, and must be satisfied with the safe keeping of all controlled banking stationery.

5.5.2 The Chief Finance Officer (section 151 officer) will maintain a register of all bank and card acquiring contracts.

5.5.3 Cheques above certain financial limits set by the Chief Finance Officer (section 151 officer) shall be manually countersigned by those designated officers authorised to do so by the Chief Finance Officer (section 151 officer).

5.5.4 The Chief Finance Officer (section 151 officer) will be responsible for ensuring that the Council's banking arrangements are reviewed on a regular basis and that the banking contract is reviewed every three years.

5.5.5 Chief Officers are responsible for ensuring that the any staff in their areas that use the Procurement Cards adhere to the requirements of the LBB Purchasing Card (PCard) Guide and Terms and Conditions.

## **5.6 ASSETS**

5.6.1 Chief Officers are responsible for the proper security of all buildings, stocks, furniture, equipment and cash etc. within their service. The Chief Executive shall exercise a co-ordinating role on security issues and shall be consulted where it is felt that security is inadequate or in special circumstances.

5.6.2 Maximum limits for cash holdings shall be set by the Chief Finance Officer (section 151 officer), which may not be exceeded without prior authority. Areas where cash is counted and held must be secure and with access restricted only to authorised staff.

5.6.3 Chief Officers are responsible for the sale or disposal of assets employed in their service, and for accounting for these transactions. All disposals in excess of £6,000 (or a higher figure that is consistent with capital accounting regulations) are to be notified to the Chief Finance Officer (section 151 officer).

5.6.4 The Council has set a *de minimis* threshold for capital expenditure at £10,000. This figure provides guidance only; the Chief Finance Officer may exercise discretion on the *de minimis* threshold.

5.6.5 Chief Officers are responsible for implementing a system for the maintenance of stocks and stores including regular stock checks and write offs when required.

## **5.7 IMPREST ACCOUNTS**

5.7.1 The Chief Finance Officer (section 151 officer) must authorise all imprest accounts.

5.7.2 The imprest account holder must:

- provide a certificate showing the state of the account at the end of the financial year and additionally when requested by the Chief Finance Officer (section 151 officer);
- only reimburse expenditure up to a limit set by the Chief Finance Officer (section 151 officer);
- obtain receipts for all payments made, which should be proper VAT receipts wherever possible;
- properly account for VAT in all float reimbursements;
- not allow the account to be overdrawn and shall arrange for reimbursement at regular intervals;
- not pay any salaries, wages or allowances from the account;
- not pay income into the account;
- provide the Chief Finance Officer (section 151 officer) with a full account for the advance when ceasing to be the imprest account holder.

## **5.8 INCOME**

5.8.1 Officers should encourage payment in advance or at point of service delivery wherever possible as per the Debt Management Policy, and minimise the amount of credit given to customers.

5.8.2 All records relating to income due to the Council, accounts raised, and receipts issued shall be in a format agreed by the Chief Finance Officer (section 151 officer).

5.8.3 Officers responsible for controlled stationery must keep it secure. Methods of payment must be agreed by the Chief Finance Officer (section 151 officer).

5.8.4 The Chief Finance Officer (section 151 officer), or officer nominated by the Chief Finance Officer (section 151 officer), may authorise payment by instalments if full payment cannot be obtained immediately, in accordance with the Debt Management Policy.

5.8.5 Officers receiving monies shall keep an accurate and chronological account of all receipts and bankings.

5.8.6 Monies received must be banked on the day of receipt wherever possible, and

not later than the next working day. All amounts paid in must be referenced to enable subsequent identification of the accounts to which they relate. All cheques, postal orders etc. shall be crossed with the crossing stamp provided.

- 5.8.7 No deductions may be made from monies received.
- 5.8.8 Heads of Service must notify the Chief Finance Officer (section 151 officer) of all monies due to the Council under contracts, leases or other agreements and the cessation of use or change of user affecting this income.
- 5.8.9 Invoicing & Debt Recovery  
Officers responsible for raising invoices must ensure that VAT has been properly accounted for.
- 5.8.10 The Council's Debt Management Policy sets out the Council's policy and procedures in relation to the billing, collection and recovery of monies owed to the Council and is to be adopted across all services within the London Borough of Barnet.

## **5.9 INSURANCE**

- 5.9.1 The Chief Finance Officer (section 151 officer) is responsible for maintaining the Insurance Strategy arranging adequate insurance cover for the Council and keeping comprehensive records of all risks covered.
- 5.9.2 Chief Officers must notify the Chief Finance Officer (section 151 officer) immediately of all new areas of risk and of any change of circumstances likely to affect existing insurance risks.
- 5.9.3 Any incident which could give rise to an insurance claim must be promptly notified to the Chief Finance Officer (section 151 officer) by the relevant officer, who shall also inform the Police if appropriate.
- 5.9.4 The Chief Finance Officer (section 151 officer) will handle all insurance claims, in conjunction with the Monitoring Officer and/or the insurance company if proceedings are issued.
- 5.9.5 Officers must consult the Chief Finance Officer (section 151 officer) and Monitoring Officer in all cases where the Council is requested to give an indemnity.
- 5.9.6 Officers in receipt of a motor vehicle allowance must produce registration documents, insurance policy, certificate of insurance and test certificate if required by the Chief Finance Officer (section 151 officer). Insurance policies must be comprehensive and cover use on official business.
- 5.9.7 Schools  
Where funds for insurance are delegated to any school, the Council may require the school to demonstrate that cover relevant to the Council's insurable interests, under a policy arranged by the Governing Body, is at least as good as the

relevant minimum cover arranged by the Council. If the Council makes such arrangements, either paid for from central funds or from contributions from schools' delegated budgets, the Council will have regard to the actual risks, which might reasonably be expected to arise at the school in question in operating this requirement rather than applying an arbitrary minimum level of cover for all schools.

5.9.8 It is the responsibility of the governing body to ensure adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power, taking professional advice as necessary. Such insurance may be funded from the school budget share.

5.9.9 The Council is empowered to undertake its own assessment of the insurance arrangements made by a school in respect of community facilities, and if it judges those arrangements to be inadequate, make arrangements itself and charge the resultant cost to the school. Such costs could be charged to the school's budget share.

## **5.10 INVESTMENTS, BORROWING, CAPITAL FINANCING & TRUST ACCOUNTS**

5.10.1 All investments, except bearer securities, controlled by the Council shall be registered in the Council's name or in the name of nominees approved at a Policy and Resources Committee ~~cabinet meeting or by a cabinet committee~~.

5.10.2 All securities shall be held securely by the Council's bankers, the Chief Finance Officer (section 151 officer) or custodians approved at a ~~cabinet meeting or by a cabinet~~ the Policy and Resources eCommittee.

5.10.3 The Chief Finance Officer (section 151 officer) shall ensure that all borrowing and, whenever applicable trust funds, are registered in the name of the Council.

5.10.4 The Chief Finance Officer (section 151 officer) will set Prudential indicators, as outlined in the Prudential Code for Capital Finance in Local Authorities, for the forthcoming and following two financial years. The Chief Finance Officer (section 151 officer) will also provide regular monitoring reports to Performance and Contract Management ~~cabinet committee~~ and report any breaches or amendments of the code to Council.

5.10.5 The key objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plan of the local authorities are affordable, prudent, sustainable and in accordance with good professional practice – or, in exceptional cases, to demonstrate that there is a danger of not ensuring this, so that the authority can take timely remedial action.

5.10.6 The Chief Finance Officer (section 151 officer) will be the Council's registrar of all stocks and bonds. In addition this officer will maintain a register of all loans and investments made in the name of the Council.

5.10.7 The Chief Finance Officer (section 151 officer) shall ensure that all legislative amendments and changes in treasury or capital limits are approved at Policy and

Resources ~~a cabinet meeting or by a cabinet committee~~ and where necessary full Council.

## 5.11 ORDERING OF SUPPLIES, WORKS & SERVICES

- 5.11.1 Procurement of supplies, works and services must be in accordance with Contract Procedure Rules and Procurement Code of Practice. It is a disciplinary offence to fail to comply with Contract Procedure Rules and the Procurement Code of Practice when letting contracts. Council employees have a duty to report breaches of Contract Procedure Rules to an appropriate senior manager and the Monitoring Officer. The procedures for initiating procurement activity, for authorising and accepting tenders and the financial limits for procurement are set out in the Contract Procedure Rules and are not repeated here.
- 5.11.2 With respect to third party organisations, if a supplier is awarded business in excess of 25% of their turnover, then a risk assessment needs to be carried out to ensure that the supplier is not overly dependant on the Council. Where the supplier is a consortium, the relevant figure is the combined turnover of the consortium's constituent members.
- 5.11.3 Chief Officers are responsible for all contracts tendered and let by their service areas. Their duties in relation to contract letting and management are:
- to ensure compliance with English Law, U.K. and EU legislation and Council policy;
  - to ensure value for money and optimise risk allocation in all procurement matters;
  - to ensure compliance with the Contract Procedure Rules and the Procurement Code of Practice
- 5.11.4 Chief Officers must have systems in place to ensure that only authorised officers are allowed to place purchase orders, and that purchase orders are only raised when there is sufficient budget available.
- 5.11.5 **Creation of a purchase Order (PO):** Once the purchase has been agreed, a purchase order must be raised on the council's accounting system. **Payment of an invoice** : Authorised officers must ensure that a purchase order has been raised on the accounting system and successfully communicated to the supplier. Invoices in respect to works, supplies and services will be paid by the Central Accounts Payable Team, but only after the authorising officer has, where necessary, first receipted the supply on the accounting system.
- 5.11.6 All invoices must reference a valid purchase order number, otherwise the Central Accounts Payable Team reserves the right to refuse payment of an invoice.
- 5.11.7 Only invoices presented in an acceptable format will be passed for payment. This includes invoices that do not comply with VAT Regulations.
- 5.11.8 To enable the Council to comply with the Late Payment of Commercial Debts Act, no amended invoices will be accepted. Chief Officers must ensure that their services must return an invoice to the supplier and seek a new invoice with a



revised date, whenever:-

- the invoice is dated prior to receipt of supplies, works or services and this is contrary to the agreed payment terms;
- the invoice is incorrect;
- the invoice does not reference a valid Purchase Order number.

5.11.9 When certifying an invoice for payment that was initially disputed, record the date on which the invoice was actually validated.

5.11.10 The Central Accounts Payable Team will perform a three-way match against the purchase order, goods receipt and invoice, prior to making a payment. Invoices from trusted suppliers, (as advised by the Strategic Procurement Team) will only require a two-way match. Invoices that do not pass this criteria will be returned to the service for amendment.

5.11.11 **Payments in advance** : Directors, Assistant Directors, Lead Commissioners and Heads of Service, prior to authorising payments in advance, must undertake a risk assessment of the supplier or service provider defaulting. All payments in advance in excess of £100,000 must be notified to the Chief Finance Officer (section 151 officer).

## 5.12 SALARIES, PENSIONS & ALLOWANCES

5.12.1 Details of payroll arrangements and responsibilities are set out in the HR Regulations.

## 5.13 AMENITY & UNOFFICIAL FUNDS

5.13.1 Amenity or Unofficial Fund relates to all sums of money other than those which are required to be paid into the Council's General Account (or such other account so authorised by the Chief Finance Officer (section 151 officer)) or Trust Fund monies outside the authority of the Council.

5.13.2 All accounts shall be opened by the Chief Finance Officer (section 151 officer) and their names shall include the name of the Borough and the establishment concerned.

5.13.3 Provided the Chief Finance Officer (section 151 officer) approves and is satisfied with accounting and security arrangements, separate accounts need not be opened for funds of small amounts.

5.13.4 The head of each establishment which sets up such a fund shall inform the relevant Chief Officer of its existence.

5.13.5 Responsibility for the administration of the fund shall rest with the head of the establishment and with such other member(s) of staff as that person shall decide.

- 5.13.6 Expenditure from the fund shall be at the discretion of the establishment head in conjunction with other member(s) of staff as felt necessary.
- 5.13.7 Cheques shall be signed and countersigned by the head and deputies of the establishment. All transactions above a limit set by the Chief Finance Officer (section 151 officer) shall be signed by at least two authorised officers.
- 5.13.8 Auditors shall be appointed by the head of the establishment and the fee (if any) shall be charged to the fund. Where the turnover of the fund exceeds an amount set by the Chief Finance Officer (section 151 officer), the fund must be audited by auditors approved by that officer. The Chief Finance Officer shall have the right to inspect the accounts.
- 5.13.9 At the end of each financial year the head shall submit an audited summary of the fund to the Chief Finance Officer (section 151 officer) (and Governing Body if appropriate).